



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

FEB 8 2006

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Melanie Sloan  
Citizens for Responsibility and Ethics in Washington  
11 Dupont Circle, N.W., 2nd Floor  
Washington, D.C. 20036

RE: MUR 5677  
Hastert for Congress Committee  
Dallas Ingemunson, in her official  
capacity as Treasurer

Dear Ms. Sloan:

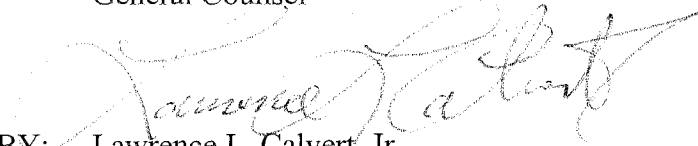
On January 24, 2006, the Federal Election Commission reviewed the allegations in your complaint dated August 16, 2005, and found that, on the basis of the information provided in your complaint, and information provided by Hastert for Congress Committee and Dallas Ingemunson, in her official capacity as treasurer, there is no reason to believe the respondents violated the Act or Commission regulations as alleged in the complaint. Accordingly, on January 24, 2006, the Commission closed the file in this matter.

Documents related to the case will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). A copy of the dispositive General Counsel's Report is enclosed for your information.

The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

Lawrence H. Norton  
General Counsel

  
BY: Lawrence L. Calvert, Jr.  
Deputy Associate General Counsel  
for Enforcement

Enclosure(s)  
General Counsel's Report

JAN 18 2006

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FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

**FEDERAL ELECTION COMMISSION**  
999 E Street, N.W.  
Washington, D.C. 20463

2006 JAN 19 A 9:17

**FIRST GENERAL COUNSEL'S REPORT**

MUR: 5677

DATE COMPLAINT FILED: August 16, 2005

DATE OF NOTIFICATION: August 22, 2005

LAST RESPONSE RECEIVED: September 7, 2005

DATE ACTIVATED: November 7, 2005

EXPIRATION OF SOL: January 1, 2005-December  
31, 2006<sup>1</sup>

**COMPLAINANT:**

Citizens for Responsibility and Ethics  
in Washington

**RESPONDENTS:**

Hastert for Congress Committee  
Dallas Ingemunson, in her official capacity as  
Treasurer

**RELEVANT STATUTES:**

2 U.S.C. § 441e  
11 C.F.R. § 103.3(b)  
11 C.F.R. § 104.3(a)(4)(i)  
11 C.F.R. § 110.9  
11 C.F.R. § 110.20

**INTERNAL REPORTS CHECKED:**

Disclosure Reports

**FEDERAL AGENCIES CHECKED:**

None

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<sup>1</sup> The alleged violations occurred throughout 2000 and 2001, and, thus, there is a rolling statute of limitations for this matter.

1 **I. INTRODUCTION**

2 This matter arises from a complaint filed by Citizens for Responsibility and Ethics in  
3 Washington ("CREW"). The complaint alleges that the campaign committee for Speaker of the  
4 House Dennis Hastert, Hastert for Congress Committee ("HFCC"), accepted contributions from  
5 foreign nationals in 2000 and 2001. The basis for the allegation is a magazine article, the focus  
6 of which was to expose alleged retaliation by the FBI against an FBI translator-turned-  
7 whistleblower. One of the allegations made by the whistleblower referred to a series of wiretap  
8 recordings in which foreign nationals allegedly claimed to have made unitemized campaign  
9 contributions to HFCC between 1996 and 2002. HFCC responded by affidavit that it never  
10 knowingly accepted contributions from foreign nationals and attached a list of all unitemized  
11 contributors from 1996 to 2002, none of which appear to be of questionable origin. As more  
12 fully set forth below, this Office recommends that the Commission find no reason to believe that  
13 HFCC and Dallas Ingemunson, in her official capacity as Treasurer, violated the Act.

14 **II. FACTUAL SUMMARY**

15 In its September 2005 issue, Vanity Fair published an article titled "An Inconvenient  
16 Patriot." The article tells the story of Sibel Edwards, a Turkish contract translator for the FBI  
17 whose contract was terminated in March 2002 after she accused a colleague of covering up illicit  
18 activity involving Turkish nationals. In the 100-paragraph article, five paragraphs discuss  
19 Speaker Hastert and HFCC.

20 According to the article, Ms. Edmonds and her colleague translated recordings of FBI  
21 wiretaps on Turkish nationals. Prior to being fired, Ms. Edmonds reportedly reviewed several  
22 tapes that her colleague was responsible for translating. Those tapes allegedly contained  
23 recordings of Turkish nationals discussing how they had "arranged for tens of thousands of

1 dollars to be paid to Speaker Hastert's campaign in small checks."<sup>2</sup> Complaint, Exhibit A at 9.  
2 The article stated that between April 1996 and December 2002, HFCC reported \$483,000 in  
3 unitemized contributions. The brief section of the article regarding Speaker Hastert concludes  
4 with a denial by both the Speaker and HFCC and notes that "there is no evidence that any  
5 payment was ever made to Hastert or his campaign." Complaint, Exhibit A at 9.

6 HFCC denies it received contributions from foreign nationals. To refute the allegations  
7 in the complaint, HFCC provided a detailed affidavit from its assistant treasurer, which included  
8 a 159-page attachment listing the names and addresses of all individuals who contributed less  
9 than \$200 between 1996 and 2002. In her affidavit, the assistant treasurer attested that these  
10 records account for 100% of the unitemized contributors to HFCC during the six year time  
11 period. She further stated that, to her knowledge, HFCC "never solicited, accepted or received  
12 funds from a contributor or donor using a foreign passport . . . , providing a foreign address . . . ,  
13 using a check or other written instrument drawn on a foreign bank or a wire transfer from a  
14 foreign bank . . . , [or] where the bank identification or the account ownership information  
15 imprinted on the contribution check indicates a foreign address." Response, Affidavit of Lisa  
16 Post at 2. Furthermore, she stated that the practice of HFCC was always to return contributions  
17 made by foreign nationals, including those contributions received from contributors with foreign  
18 addresses. The attached contributor records contain no foreign addresses and corroborate her  
19 affidavit. The assistant treasurer also stated that over 90% of the unitemized contributions came

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<sup>2</sup> The article indicates that the ultimate source of this information is Ms. Edmonds' classified testimony given to, among others, the Department of Justice's Office of Inspector General ("OIG"). Although the author of the article does not reveal how he obtained her testimony, he cites an anonymous source purportedly familiar with the testimony. However, the OIG's redacted official report does not mention Speaker Hastert.  
<http://www.usdoj.gov/oig/special/0501/final.pdf>.

1 from residents of Illinois and that 70% of the contributions came from annual low ticket price  
2 events (between \$25.00 and \$150.00) held in Speaker Hastert's District.

### 3 III. LEGAL ANALYSIS

4 The complaint alleges HFCC violated the Act by accepting contributions from foreign  
5 nationals. Political committees are prohibited from knowingly accepting contributions from  
6 foreign nationals. 2 U.S.C. § 441e; 11 C.F.R. §§ 103.3(b), 110.9, 110.20.<sup>3</sup> A committee is  
7 deemed to have knowingly accepted a contribution if the contributor uses a foreign address,  
8 foreign passport, foreign bank account, or foreign negotiable instrument, or if the contributor  
9 resides abroad. 11 C.F.R. § 110.20(a)(5). Committees are required to report all contributions  
10 made by a person that, in aggregate, exceed \$200 for the calendar year or election cycle. 11  
11 C.F.R. § 104.3(a)(4)(i).

12 The complaint is based solely on the Vanity Fair article,<sup>4</sup> but the article does not provide  
13 sufficient information to support a reason to believe finding that HFCC violated the Act by  
14 knowingly accepting contributions from foreign nationals. In addition to questions about the  
15 reliability of the information in the article – the article states that an unnamed source told the  
16 author that Ms. Edmonds heard a conversation in a foreign language implicating HFCC – the  
17 article itself notes that “there is no evidence that any payment was ever made to Hastert or his  
18 campaign.” Complaint, Exhibit A at 9.

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<sup>3</sup> 11 C.F.R. § 110.20 was promulgated in 2002, after the alleged contributions occurred. 67 Fed. Reg. 69928. However, the regulation it replaced, 11 C.F.R. § 110.4(a), also prohibited contributions by foreign nationals. *See id.* at 69935. Although the previous regulation did not give examples of “pertinent facts” that put a committee on notice of a foreign national contributor, at least one Advisory Opinion provided guidance consistent with the new regulation. *See* Advisory Opinion 1998-14 (Douglass for U.S. Senate).

<sup>4</sup> The complaint attaches disclosure reports from 2000 and 2001 purporting to show a disproportionately high amount of unitemized contributions. While the reports reveal \$183,135 in unitemized contributions in 2000 and 2001, none of the seven disclosure reports attached to the complaint would have triggered a Request for Additional Information.

1 More importantly, a detailed sworn affidavit from the assistant treasurer of HFCC  
2 specifically rebuts the speculative allegations in the complaint. The assistant treasurer attests  
3 that, to her knowledge, HFCC has never accepted a contribution from a foreign national,  
4 describing the practice of HFCC to examine whether funds received are from a contributor using  
5 a foreign passport, foreign address, or a check or other written instrument drawn on a foreign  
6 bank or a wire transfer from a foreign bank. Further, the assistant treasurer attests that she has  
7 reviewed the approximately \$483,000 received by the committee in unitemized contributions  
8 between April 1996 and December 2002 and found none of questionable origin or legality.

9 The 159-page contributor list covering all unitemized contributions for the entire six year  
10 period in question appears to support the assistant treasurer's assertion. The list contains no  
11 foreign addresses, and we have been unable to discern from our own review of the attachment  
12 any pattern of contributions that raises any questions of illegality. Although the attachment does  
13 not include passport or bank account information for the contributors, we have no other  
14 information suggesting that any of HFCC's unitemized contributions were of suspicious origin.

15 Thus, because there is an insufficient factual basis to suggest a violation occurred, this  
16 Office recommends finding no reason to believe HFCC and Dallas Ingemunson, in her official  
17 capacity as Treasurer, violated 2 U.S.C. § 441e and 11 C.F.R. §§ 103.3, 110.9, and 110.20(g).

#### 18 **IV. RECOMMENDATIONS**

- 19 1. Find no reason to believe Hastert for Congress Committee and Dallas Ingemunson, in  
20 her official capacity as Treasurer, violated 2 U.S.C. § 441e and 11 C.F.R. §§ 103.3,  
21 110.9, and 110.20(g);
- 22 2. Approve the appropriate letters;


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3. Close the file.

Lawrence H. Norton  
General Counsel

Lawrence L. Calvert  
Deputy Associate General Counsel for  
Enforcement

1/18/06  
Date

By:   
Ann Marie Terzaken  
Assistant General Counsel

  
Zachary H. Mahshie  
Attorney